

Committee on Ways and Means

Medicare Prescription Drug Benefit Off to a Strong Start

Seniors' Savings Greater than Expected, Program Costs Lower than Expected

- The new Medicare drug benefit has been a great success. Almost a year into the new benefit, more than 38 million of our nation's Medicare beneficiaries are receiving help with their prescription costs, about 28 million of those benefiting directly from the changes made in the *Medicare Modernization Act* (MMA, P.L. 108-173). On average, seniors are saving \$1,200 off of the cost of their prescription drugs.
- Competition among plans is delivering better benefits at a lower than expected cost. Strong competitive pressure resulted in 2007 plan bids being 10 percent lower than they were in 2006. Recent estimates indicate that Part D will cost \$259.3 billion less over the next 10 years than was expected just last year.
- Beneficiary premiums in 2007 are expected to average \$24 per month – about the same as in 2006.
- In 2007, even more drugs will be covered by the plans. On average, the number of covered prescription drugs will increase by about 13 percent next year.
- The new drug program is filling more than three million prescriptions per day and helping beneficiaries gain access to the drugs they need at affordable prices. Reports show that the top 25 drugs purchased by seniors have discounts of 35 percent at retail pharmacies at 46 percent through mail-order.
- Surveys consistently show that more than 80 percent of seniors are satisfied with their drug coverage.
- The bottom line is that millions of seniors are receiving help on their drug costs – help that Democrats refused to provide for the 40 years they controlled the U.S. House of Representatives.